## **MINUTES**

(Subject to Approval by the Committee)
Intrastate Commercial Air Service Committee
Monday, January 25, 2021
3:00 P.M.
Room EW20
Boise, Idaho

Cochair Johnson called the meeting to order at 3:19 p.m.; a silent roll call was taken.

Members present: (in-person) Cochair Senator Daniel Johnson, Cochair Representative Caroline Troy, Bill Connors, Jeff Marker; (via video conference) Rick Cloutier, Rebecca Hupp, Scott Kennedy, Jeff Newgard, Gary Peters, and Carol Waller; LSO staff: Ryan Bush, Jennifer Kish, and Christine Otto. Absent: Scott Turlington.

Attendance of audience members was not recorded.

NOTE: presentations and materials distributed to members are posted to the Legislature's website: <a href="https://legislature.idaho.gov/sessioninfo/2020/interim">https://legislature.idaho.gov/sessioninfo/2020/interim</a>; and copies of those items are on file with the Legislative Services Offices located in the State Capitol.

Cochair Johnson requested a motion to approve minutes of the previous meeting. Mr. Connors moved to approve the minutes of the December 11 meeting as presented; Mr. Peters seconded the motion; with no objections, the motion passed.

At 3:21 p.m., Cochair Johnson recognized Jeffrey Hartz, Managing Director - Air Consulting Service for Mead & Hunt, for his presentation to the committee. Mr. Hartz's presentation reviewed the draft report submitted to the members via email on January 15th, <u>Idaho Intrastate Passenger Air Service Study January 2021</u>. His comments covered past history of routes and fares, observations of Idaho travel patterns of the eight identified markets/cities, the "breaking point" for travelers to choose flying over driving, and suggested partners/air carriers and the possible size of aircraft.

- Cochair Johnson inquired about the increased load factor for the Pullman-Moscow to Boise route.
   Mr. Hartz responded that the model predicted an increase in air travel when the route time
   and fare were more convenient, not just for students but also faculty and staff who travel for
   both personal and business purposes. He also noted that the 80% load factor was a national
   average -- pre-covid.
- Cochair Troy inquired whether the study took into account the elevation and weather patterns between the Pullman-Moscow and Lewiston-Nez Perce airports because the flights are heavily impacted by those factors. Mr. Hartz reported that the implementation of new instrument approach procedures at the Pullman-Moscow airport had been able to compensate for those influences to the degree that it was competitive with Lewiston-Nez Perce.
- Mr. Marker asked whether it was possible to merge markets to increase the propensity to fly (such as Pullman-Moscow, Lewiston-Nez Perce, Idaho Falls, and Pocatello). Mr. Hartz commented that the Pocatello and Idaho Falls area may be able to do that best due to the amount of traffic that occurs between those two markets.
- Mr. Peters questioned whether the GPS data for the Lewiston-Nez Perce area was possibly being masked and the need was greater than predicted (Lewiston-Nez Perce versus Pullman-Moscow). Mr. Peters noted that his own data showed almost 40% of folks drive to Spokane for flights. Mr. Hartz responded that the data was not a traditional leakage study analysis. He noted that, when comparing the actual phone-tracking data versus the leakage data versus the actual visitations, the actual visitations were higher for Pullman-Moscow, hence the forecast. The propensity to fly was almost identical but the actual visitation was higher.

- Mr. Connors inquired whether next steps should include promoting these larger Idaho markets in conversations with airlines (e.g., Alaska Airlines). Mr. Hartz proposed that Idaho's efforts needed to understand an airline's strategic approach and partnerships, especially Alaska's efforts to double down on California markets and its continuing efforts to break into the Seattle market. He added that consideration as to whether it was a good strategic network-building move or a financial move needed to be recognized.
- Cochair Johnson requested more information about funding proposals for the markets identified
  in order to complete the report and identify some of the next steps. Mr. Hartz offered to provide
  that additional information. [This information was provided in the <u>Final</u> version of the report,
  submitted January 29 by Mead & Hunt (pages 53-54).]

Cochair Johnson commented that a discussion on next-step efforts needed to continue; however, the committee, as organized by SCR125 (2020), had expired. He noted that other parties had expressed interest in participating in those next steps and assisting the members on future efforts.

With no further business, the meeting was adjourned at 5:00 p.m.